Security Information IAC-D-29/6 22 March 1952

INTELLIGENCE ADVISORY COMMITTEE

REVISION OF ANNEX 6 TO NSC 114/2

12284

The President has requested that NSC 114/2 be brought up to date. There has been in both the NSC 114/2 and its previous form in NSC 68 an Annex devoted to intelligence.

A copy of the last edition of Annex 6 relating to Intelligence is attached hereto as TAB B. The proposed revision is at TAB A. It will be appreciated if your representative would meet in my office, Room 2007 M Building, at 2:30 P.M. Thursday, 27 March, to criticize this draft prior to its submission to the TAC on 3 April.

James Q. Reber Secretary

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TAB A

Draft Annex No. 6

FOREIGN INTELLIGENCE AND RELATED ACTIVITIES
(Prepared by the Central Intelligence Agency with the Concurrence of the Intelligence Advisory Committee)

Foreign Intelligence

The peculiar nature of intelligence operations makes it difficult to project national intelligence planning in terms comparable to those employed in a program aimed at the attainment of manpower or production goals. While intelligence must increase its efforts if it would audit the Soviet world's strength and estimate with the required accuracy its intentions and chances of success, expansion in itself offers no guarantee of increased effectiveness. Some further expansion may indeed be necessary in some of the intelligence agencies, but in general improvement in the intelligence product is dependent upon other factors such as the refinement of our collection targets and the skill with which information is evaluated and conclusions drawn. The increased funds necessary to support the intelligence activities required in the State and Military departments, while important to the intelligence effort, are not of a magnitude to require consideration in this paper. Furthermore, the importance of these funds is not dependent on the policies and programs contained in the main body of this paper.

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2. The improvement of US foreign intelligence is nevertheless an important objective and one closely related to the policies recommended here since our estimate of Soviet intentions and capabilities is directly dependent upon the effectiveness of our intelligence organization. To improve the over-all value of their product, the intelligence agencies must focus upon three essentials:

First, they must make certain that the substantive objectives controlling their collection, research and estimating activities are properly related to the problems posed by the Soviet world and others which confront the members of the National Security Council.

Second, both the collection and research activities of the several intelligence agencies must be so synchronized that the resources of each provide maximum support for the attainment of these objectives.

Third, they must constantly seek to strengthen their capabilities and resources in order to improve the quality and reliability of their product, whether in the collection or research field.

3. The Intelligence Advisory Committee, composed of the chiefs of each of the intelligence agencies is of great assistance in focusing the attention of the community on these three continuing efforts. It is also increasingly effective as a means of achieving coordination on National Intelligence Estimates, and of reaching agreement on the coordination of various other intelligence activities.

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The IAC agencies, in recognition of the need for strengthening the collection of intelligence information bearing upon the capabilities and intentions of the Soviet Union and Soviet Orbit countries, have made renewed efforts to exploit overt sources of information. In spite of some success, however, much if not most of the critical information needed will continue to be unavailable except by covert means. The ordinary difficulties of "conventional" clandestine collection are greatly magnified within the Soviet Orbit where virtually the entire population is covered with a vast counterespionage net and where State surveillance restricts opportunities for penetration. The enormous difficulties of such clandestine activities strain available resources of qualified personnel and may be expected to increase the costliness of such operations. The resources and possibilities available for covert collection are therefore and will necessarily continue to be insufficient to provide all the critical information required in these areas. In order to make the maximum use of our limited possibilities, intelligence agencies have made considerable strides toward isolating the most essential elements of information which must be collected by covert means, giving proper attention to priorities.

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- 5. While the quality of national and departmental intelligence research is heavily dependent upon the intelligence information collected, it is also dependent on a properly coordinated division of labor among the agencies and on the timely availability of the research product. In this regard it is felt that the National Intelligence Estimates are making a significant contribution. There has been notable progress in the field of Atomic Energy intelligence and it is hoped that in other aspects of scientific and technical intelligence comparable satisfactory arrangements can be developed. There is also under way a promising coordinated program for the systematic analysis of the Soviet and satellite economies. This should provide a better appraisal of the capabilities and long-range intentions of the USSR, and should suggest possible avenues of US counter-action by exposing economic vulnerabilities. The agencies have also intensified their collaborative efforts to watch Soviet or Soviet Orbit developments on a continuing basis in order to detect any short-range warning of an intent to launch a military attack on the West.
- 6. All of the intelligence agencies suffer from inadequate numbers of well-qualified personnel and inadequate space arrangements to meet their responsibilities in collection and research production. While qualified personnel are difficult to attract in the face of the

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competition of other employers, both inside and outside the Government, some of the departments have been seriously hampered in this respect by budgetary difficulties and uncertainties.

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Annex No. 6

FOREIGN INTELLIGENCE AND RELATED ACTIVITIES
(Prepared by the Central Intelligence Agency with the
Concurrence of the Intelligence Advisory Committee)

- 1. The peculiar nature of intelligence operations makes it difficult to project national intelligence planning in terms comparable to those employed in a program aimed at the attainment of manpower or production goals. While intelligence must intensify its activities if it would audit the Soviet world's growth in strength and estimate its intentions, expansion in itself offers no guarantee of improved intelligence. Improvement in the intelligence product is dependent not only upon increased collection of reliable foreign intelligence but upon the skill with which it is evaluated and assembled in the form of estimates. Thus the root problem of intelligence is obtaining personnel skilled in collection and evaluation.
- 2. Existing plans contemplate expansion within the next two years to three times the current strength of personnel engaged in clandestine intelligence and related activities. Expanded domestic and overseas facilities for training are presently in process of construction. A sizeable portion of that strength should consist of personnel from the armed forces.

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4. To improve the over-all value of their intelligence product, the national intelligence agencies must focus added emphasis upon three essential parts of their program:

First, they must make certain that substantive objectives in field activity, research, and estimates are properly related to the political and military problems confronting members of the National Security Council.

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Second, the activities of the intelligence agencies of the government must be so synchronized that the resources of each provide maximum support for the attainment of these objectives.

Third, they must constantly re-assess and strengthen their capabilities and resources.

- 5. It is especially important that collection facilities of the national intelligence agencies be improved. Efforts are being made to establish accurate priorities of essential elements of information. This requirement is especially important in the field of clandestine collection where extraordinary difficulties are encountered.
- 6. Establishment of a coordinated program for systematic analysis of the Soviet and satellite economies should provide a better appraisal of the capabilities and long-range intentions of the USSR. It should likewise suggest possible avenues of U. S. counteraction by exposing the vulnerabilities of the USSR and its satellites.
- 7. Progress has been made in the collection of intelligence by scientific means (as distinct from the collection of scientific intelligence itself) but much remains to be accomplished in this field, especially in view of the difficulties encountered in "conventional" clandestine activities.
- 8. In the coordination of foreign intelligence among national intelligence agencies, the Director of Central Intelligence is required by law to correlate the intelligence produced by each in order to ensure that no gaps are left uncovered between agencies. At the same time by recommendation to the National Security Council, he can initiate action to prevent duplication of effort or overlapping of one agency upon the field of action or functions of another. The Central Intelligence Agency is likewise charged with responsibility for services of common concern which can most advantageously be performed centrally. While progress has been made in this process of coordination, there is still need for improvement.
- The Intelligence Advisory Committee with representation from each of the departmental intelligence agencies has been increasingly helpful in facilitating consultation and the exchange of opinion among intelligence chiefs. The IAC provides a means whereby the chief of intelligence of each agency of government can comment upon, concur in, or object to recommendations, proposals, or conclusions regarding problems of national intelligence concern.

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- 10. To provide rapid dissemination of information on significant military or political events, there has been created an interdepartmental Watch Committee whose responsibility it is to review systematically all incoming reports and to be alert for indications of critical moves. Facilities for prompt transmission and for evaluation of these indications are constantly being improved.
 - 11. a. More and more critical information within the USSR and its satellites must be sought by clandestine means, either directly or scientifically. The ordinary difficulties of "conventional" clandestine collection are hugely magnified within the Soviet orbit where virtually the entire population is covered with a vast counterespionage net and where state surveillance severely restricts opportunities for penetration. Not only do the enormous difficulties of such clandestine activities strain available resources of qualified personnel but they may be expected to multiply in costliness and thus require increasingly greater expenditures.
 - b. In overt intelligence programs output varies almost directly with the allocation of personnel and facilities. Present limitations operate to the effect that a minimum program to meet fixed commitments can be met only with the greatest difficulty with no margin for satisfying increasing demands resulting from the deteriorating world situation. In the opinion of the Intelligence Advisory Committee representatives of the Armed Forces, presently directed personnel cuts will make it impossible to maintain even this minimum program. The Department of State indicates difficulty in obtaining budgetary provision for adequate personnel expansion.
 - 12. a. In summary, the sharpened intensity of U.S.-Soviet relationships emphasizes the immediate need for intensification of intelligence and related activities. Additional funds and personnel will continue to be required, not only for expansion of the intelligence services but for the improvement in the quality of their product, which neither now or in the foreseeable future is likely to be all that the planners and policy makers desire.
 - b. At the same time, the intelligence services, currently taxed with expanded requirements, must adequately prepare for

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vast expansion in the event of the spread of hostilities. If the intelligence services are to prepare for these wartime operations while undertaking commitments that currently strain their present capabilities, it is imperative that they obtain sufficient personnel and the logistical support required for the execution of these tasks.

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